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Supreme Court, U.S.
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No. 95-298

In The
SUPREME COURT OF THE UNITED STATES
October Term, 1995

ABB ROBOTICS, INC. and
CINCINNATI MILACRON, INC.,

Petitioners,

v.

GMFanuc ROBOTICS CORP.,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

RESPONDENT'S OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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September 20, 1995

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I. QUESTION PRESENTED

Did the U.S. Court of Appeals for the Federal Circuit properly apply a *de novo* standard of review in affirming the District Court's entry of summary judgment where the Federal Circuit held that no material facts were in dispute, that the relevant law had been properly applied to the undisputed facts, and that the District Court's judgment was correct?

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III. TABLE OF AUTHORITIES

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A. Case Law

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B. Rules

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IV. STATEMENT OF THE CASE

Contrary to the assertion of the Petitioners, ABB Robotics, Inc. and Cincinnati Milacron, Inc. ("ABB" and "CM"), the U.S. Court of Appeals for the Federal Circuit applied a *de novo* standard of review in affirming the summary judgment of estoppel entered by the U.S. District Court for the Eastern District of Wisconsin against ABB/CM. As is apparent from its opinion, the Federal Circuit held that no material facts were in dispute and that the relevant law of estoppel had been properly applied to the undisputed facts. (2a-6a, 8a, 10a).

Estoppel being an equitable defense, the Federal Circuit then examined whether the District Court acted within its discretion in giving effect to that

defense. (4a, 7a, 8a). The Federal Circuit determined not only that the District Court had properly acted within its discretion, but also independently held that the Respondent, GMFanuc Robotics Corp. ("GMFanuc")[1], was entitled to judgment as a matter of law. (7a, 9a, 12a).

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[1] GMFanuc was a joint venture between General Motors Corp. and Fanuc Ltd. After the filing of this lawsuit, General Motors Corp. sold its entire interest to Fanuc Ltd. and GMFanuc was re-named Fanuc Robotics Corp. Fanuc Ltd. is the parent company of Fanuc Robotics Corp.

V. THE PETITION FOR WRIT OF CERTIORARI SHOULD BE DENIED

ABB/CM argue that their Petition For Writ Of Certiorari should be granted for four reasons:

(1) The decision conflicts with prior decisions of this Court;

(2) The decision conflicts with decisions from other U.S. Courts of Appeals;

(3) The decision conflicts with other contemporaneous decisions of the U.S. Court of Appeals for the Federal Circuit; and

(4) The decision departs from textbook law, calling for an exercise of this Court's power of supervision.

None of ABB/CM's arguments are valid, and the Petition should therefore be denied.

VI. SUMMARY OF THE ARGUMENT

The Federal Circuit properly reviewed the District Court's entry of summary judgment against ABB/CM on the grounds of estoppel *de novo*, finding that there were no issues of material fact and that the relevant law had been properly applied. (2a-6a, 8a, 10a). The Federal Circuit then properly applied an abuse of discretion standard of review only to the District Court's discretionary decision giving effect to the equitable defense. (4a, 7a, 8a). Indeed, after reviewing the facts and the law of estoppel *de novo*, the Federal Circuit actually reviewed the District Court's discretionary decision *de novo* as well, repeatedly expressing its agreement with that decision. (7a, 9a, 12a).

VII. ARGUMENT

In reviewing an entry of summary judgment, an appellate court must place itself in the position of the trial court and review *de novo* whether there are any genuine issues of material fact. If not, the appellate court must then review *de novo* whether the moving party is entitled to judgment as a matter of law under the applicable substantive law. Fed.R.Civ.P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-52 (1986); *C. Sanchez And Son, Inc. v. U.S.*, 6 F.3d 1539, 1541-42 (Fed. Cir. 1993); *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1039 (Fed. Cir. 1992) (*en banc*). Where the underlying relief is equitable in nature, however, the ultimate decision as to the availability of that relief is

discretionary. Appellate review of such a decision is therefore undertaken according to an abuse of discretion standard. *Aukerman*, 960 F.2d at 1028, 1039, 1041, 1043.

As is apparent from its opinion, the Federal Circuit reviewed the facts of this case and the substantive law applied thereto *de novo*.[2] Like the District Court before it, the Federal Circuit held that the material facts were undisputed. Among the most important: i) CM charged GMFanuc with infringement of the patent-in-suit in September of 1986, yet thereafter decided not to sue and took no further action (2a,

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[2] As ABB/CM admit in their Petition, courts often apply *de novo* review without explicitly reciting that standard. *See*, ABB/CM Petition For Writ Of Certiorari, pp. 9-10. Such is the case here.

5a, 8a); ii) GMFanuc's then-parent, General Motors, was CM's largest single customer and GMFanuc knew of that relationship (6a, 8a)[3]; iii) CM refused to license GMFanuc under the patent-in-suit (8a); iv) GMFanuc significantly expanded its allegedly infringing activity during CM's inaction (10a); and v) GMFanuc halted production of a different product it determined might infringe the patent-in-suit and took a license under other CM patents, thereby modifying its behavior to avoid infringement (2a, 3a, 6a, 8a, 10a).[4]

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[3] [4] ABB/CM's Appendix attached to their Petition omits at pages 6a and 10a the text from the Federal Circuit's opinion supporting these facts. That text appears in *ABB Robotics, Inc. v. GMFanuc Robotics Corp.*, 52 F.3d 1062 (Fed. Cir. 1995) at pages 1064-65.

Like the District Court before it, the Federal Circuit also held that the law of equitable estoppel had been properly applied to the undisputed facts. In that regard, the Federal Circuit noted that estoppel arises where: (i) the patentee leads the alleged infringer to reasonably infer that the patentee does not intend to enforce the patent against the alleged infringer; (ii) the alleged infringer relies on the patentee's conduct; and (iii) due to its reliance, the alleged infringer will be materially prejudiced if the patentee is now permitted to proceed with an infringement suit. (3a-7a, 9a-12a).[5] *Aukerman*, 960 F.2d at 1028.

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[5] Once again, ABB/CM's Appendix omits at page 10a the text from the Federal Circuit's opinion wherein the Federal

(continued...)

Having held, after *de novo* review, that there were no issues of material fact and that the law of estoppel had been properly applied, the only decision remaining for the Federal Circuit was whether the undisputed facts gave rise to estoppel such that GMFanuc was entitled to judgment as a matter of law. Indeed, that was the only dispute between the parties. ABB/CM and GMFanuc have never disputed the underlying facts or the law outlined above.

Estoppel being an equitable defense, the Federal Circuit properly reviewed the

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[5](...continued)
Circuit expressly agreed with the District Court's legal interpretation of the material prejudice element of equitable estoppel. That text appears in *ABB Robotics*, 52 F.3d 1062 at page 1065.

District Court's discretionary decision giving effect thereto for abuse. (4a). *Aukerman*, 960 F.2d at 1028, 1039, 1041, 1043.[6] In light of the undisputed facts, the Federal Circuit held that the District Court acted within its discretion when it

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[6] Indeed, in *Aukerman*, an *en banc* decision reviewing an entry of summary judgment of laches and estoppel, the Federal Circuit explicitly stated that:

> On appeal the standard of review of the conclusion of [an equitable defense] is abuse of discretion.
>
> * * *
>
> If the decision on [the equitable defense] is made on summary judgment, there must, in addition, be no genuine issues of material fact, . . . and all pertinent factors must be considered.
>
> 960 F.2d at 1039 (emphasis added) (citations omitted).

entered summary judgment against ABB/CM. (7a, 8a).

Significantly, however, the Federal Circuit went further, reviewing the District Court's discretionary decision giving effect to GMFanuc's estoppel defense *de novo* as well. Substituting its own discretion for that of the District Court, the Federal Circuit held that the District Court's judgment was correct. (12a). Based again on the undisputed facts, the Federal Circuit expressly agreed with the District Court that CM's conduct led GMFanuc to reasonably infer that CM would not enforce the patent-in-suit (7a), that GMFanuc relied on CM's conduct (9a), and that GMFanuc would be materially prejudiced if ABB/CM were now allowed to sue (12a).

Thus, contrary to ABB/CM's argument, the Federal Circuit's decision does not conflict with textbook law, or the decisions of this Court or any other. Having failed to satisfy any of the considerations detailed in Supreme Court Rule 10 governing review on a writ of certiorari, ABB/CM's Petition should be denied.

VIII. CONCLUSION

For the foregoing reasons, ABB/CM's Petition For Writ Of Certiorari should be denied.

Respectfully submitted,

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